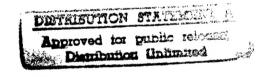
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# China Report

**AGRICULTURE** 



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#### BAN YUE TAN ON INTENSIFYING RURAL REFORM

HK120501 Beijing BAN YUE TAN in Chinese No 14, 25 Jul 86 pp 17-19

[Article by Xue Zongxin [5641 0022 2450]: "How To Carry Out Rural Reforms in a Thorough Manner"]

[Text] Rural reforms have attained universally acknowledged accomplishments. The system of contracted responsibilities on the household basis, with payment linked to output, has enabled hundreds of millions of peasants to gradually become relatively independent commodity producers, given them an opportunity to create freely, and allowed them to race down the road from poverty to prosperity.

However, the rural reforms are far from being a complete success as the second step of reforms towards overall development of the commodity economy has barely started.

How can rural reforms be intensified, steady growth in agriculture be maintained and rural economy be propelled through a smooth and sound transformation into a large scale and highly efficient commodity economy?

An outstanding subject now is to rationalize market relations, raise the level of market organization, and establish a market mechanism suitable to rural commercialization; that is, a new regulatory system to stimulate or control commodity production through the application of the law of supply and demand and of price changes to determine commodity exchange.

The development of agricultural production and the breakthrough from an autarkic economy require an accessible and flexible system of circulation of commodities; yet, this is precisely where the weak line lies. For a long time now, our country has carried out state monopoly in the purchase and marketing of goods, and exclusive operations were granted to one enterprise only; thus, the market grew very slowly. Moreover, transportation was backward, channels for circulation were not well organized, and the relations between supply and demand were not sufficiently coordinated. Hence, occasional shortages and occasional surpluses of agricultural products occurred.

The conflicts in rural commerce, disjunction in product marketing, the old market structure's curbing of the momentum for new commodity production—these

are some frictions and confusions created during the transition period from the old to the new system. These are also some of the irreconciliations and dissonances that appeared after rural and urban reforms were molded together. There are only two ways to settle conflicts: One is to return to the old way of state monopoly in purchase and marketing, while the other is to raise the level of market organization. The road to retrogression must not be taken. Nevertheless, there still exists immense difficulty in the reorganization of the market. State enterprises should be further loosened up and invigorated. Rural supply and marketing cooperatives have not completely shed the conventional trappings of "government business" and are not quite capable of engaging in market competition and regulation. While individual enterprises have vitality and vigor, they also face restrictions--limited capital, narrow range of activities, pure motivation for profit, and a lack of a sense of responsibility to the market--that could easily lead to disturbance in the market. Therefore, it is necessary to regulate well the mutual and conflicting interests among the producers, consumers, managers, local treasury, and state treasury, and to coordinate the various forms of merchandising among state and individual enterprises in order to serve the market. Aside from application of economic levers such as price subsidies and tax collection, it is also necessary to set up material means such as reserve facilities in order to intervene in the market. Aside from relaxing the retail trade, it is also necessary to invigorate the wholesale trade. Moreover, it is imperative to open up new channels of circulation and develop new forms of merchandising so that the stagnation of state enterprises can be avoided and there will be flexible turnaround of goods, and yet at the same time, the shortsightedness of individual enterprises could also be averted and some market risks be assumed. It seems that a sort of "third commerce" which assumes sole responsibility for profits and losses and which is horizontally linked together would emerge as times require.

To build a new market mechanism, it is necessary to exert great efforts to see to the circulation of commodities as well as to the movement of the essential factors of production. The first step of rural reforms emancipated the essential factors of production. What is to be done in the second step? In a sense, it means perfecting the composition of the essential factors of production; that is, to allow for the circulation of various essential factors of production such as the means of production, labor, capital, science and technology, and to utilize of them rationally in order to promote the productive forces in agriculture.

Under the previous system of "eating from the same big pot," all labor forces had to work in the fields and other activities were forbidden. The system of contracted responsibilities with remuneration linked to output mobilized the laborer himself and the various essential factors of production around him, and, without changing other conditions, was able to develop production greatly. In order to further develop a commodity economy, it is necessary to allow the various essential factors of production to be fully invigorated on a wider scope. Let capital flow freely towards where the highest profits can be made; let the labor force fulfill its potentials and go where it is most

needed; let the means of production demonstrate its effectivity and be moved to where it can be most efficiently applied.

At present, the most urgent issue in the circulation of the essential factors of production is that of labor force and capital. Some people have all sorts of worries over the export of labor from impoverished regions to developed regions. On this, we could not be constrained by some traditional ideas. must be noted that the export of labor services not only improves the lives of these people and their families, but it also creates for them the conditions for contact with commodity economy and is favorable for their learning production skills and management, thereby accelerating the shift from the autarkic economy of impoverished areas to a commodity economy. This is undoubtedly a fast way for impoverished regions to wipe out poverty and attain prosperity. As for capital, there had only been vertical flow and no horizontal flow in the past. Peasants deposit excess money in banks and ask for loans if they need money. The amount of loans granted by state banks and credit cooperatives to enterprises ran by the local people is very minimal, and the supply of capital falls far below the demands of rural commodity production. A breakthrough in the set up of vertical flow of capital has become imperative. At present, the countryside has some 80 billion yuan worth of deposits; if this amount is allowed to flow horizontally, it could play an enormous role. Naturally, this must be organized and coordinated under state supervision and incorporated into the right course.

Once the essential factors of production acquire free circulation, they must be adroitly guided according to circumstances and be rationally organized. We encourage the development of regional and professional cooperative economies as well as development of various forms of economic associations. We advocate strengthening the horizontal bonds among regions, urban and rural areas, departments and enterprises, along with the combination of different entities with different advantages. We do so precisely in the hope of bringing about the best composition of the essential factors of production such as the means of production, labor force, technology, and capital, and thereby achieving the highest efficiency.

In intensifying rural reforms, it is also necessary to pay close attention to protecting the economic role of agriculture and the growth of peasants' income.

Last year, a decline in the peasants' initiative to plant grain occurred in some areas. In the first quarter of this year, there again were incidents of a drop in the monetary revenue growth rate of peasants. These two signals should alert us: it is imperative to promote an increase in production and revenue by gradually rationalizing the price exchanges between industrial and agricultural products, developing rural industries, increasing inputs, and others. In particular, it is most important to develop rural industry, create more employment opportunities in various sectors, and accelerate the transfer of the rural labor force into nonagricultural endeavors. Since 1979, we have implemented rural economic norms and promoted the growth of labor productivity. Labor force rapidly shifted to secondary and tertiary

industries, the quantity of commodities increased, and the per capita income of peasants rose from 80 or 90 yuan to almost 400 yuan. This momentum must be maintained.

The vast shift of labor force prompts the expansion of the scope of land management and opens up a broad vista for agricultural modernization. At the same time, along with the development of rural industries the growth of rural labor productivity, the peasants' monetary revenue would also rise, which, in turn, would lead to an improvement in purchasing power in rural areas and bring a powerful boost to urban industries. This is the only route for the development of China's rural economy.

The overall implementation of reforms in the rural commodity economy is far more difficult and complicated than the implementation of the system of contracted responsibilities on the household basis and with payment linked to output. Only by active exploration and courageous application can success be attained in the continuous intensification of the second step of rural reforms, and thus can the development of rural commodity economy move on to a new pace within a new market mechanism.

/9599

#### SPECIALIZED MARKETS STIMULATE RURAL PRODUCTION

OW141334 Beijing XINHUA in English 1200 GMT 14 Aug 86

[Text] Beijing, 14 Aug (XINHUA)—More than 7,000 specialized markets distributed across China's countryside have vigorously stimulated local commodity production and circulation, the overseas edition of the PEOPLE'S DAILY reported today.

Nearly half of them have emerged during the past few years, along with the development of specialized farm and side-line products. Some markets are also specialized in handling medicine, manufactured goods, garments and daily necessities, the paper said.

Nanhui county near Shanghai produced one million kilograms of rabbit hair last year, which was a major source of income of local peasants. But they had difficulty in selling it due to the lack of adequate outlets.

So the local administrative departments of industry and commerce opened a rabbit hair market in April this year. More than 100,000 kilograms of rabbit hair have changed hands during the past three months and there was no more stockpiling, the paper reported.

As a result, peasants became more active in production when they were guaranteed sales of their products.

/9738

# SCIENTISTS REPORT LIUPAN SHAN EXPERIMENT RESULTS

OW161158 Beijing XINHUA in English 1140 GMT 16 Aug 86

[Text] Yinchuan, August 16 (XINHUA)--Barren land should be used more for planting grass and raising livestock than for abortive efforts to grow grain, a team of 30 soil conservation experts said here today.

The scientists said they based their conclusion on five years of research in northwestern China's Liupan mountain region.

The 1.5 million people in the 20,000-square kilometer region are among the poorest in China.

Over the last 30 years, the central government has sent food and other supplies worth more than 100 million yuan (27 million U.S. dollars) to the peasants in the area.

To end the need for relief, the scientists advised local peasants to cut down on grain planting and increase cultivation of grass for raising livestock and for sale to other provinces.

"We tried out our ideas in one village, Shanghuang, and we found that what we've suggested can work," said one scientist.

Before 1983, he said, annual income for each of the 700 village residents was only 50 yuan (13.5 U.S. dollars).

But in 1985, after following the scientists' advice, village residents were able to raise their per capita annual income to 320 yuan (86.4 U.S. dollars).

They accomplished this by cutting their grain planting by 133 hectares to 320 hectares and increasing their grass growing areas to 286 hectares from 29 hectares.

The experiment has been so successful that the northwest China Research Institute of Water and Soil Conservation has begun a program to introduce the change throughout the Liupan region.

/9716

GUANGMING RIBAO REPORTS WHEAT GROWING TECHNIQUE

OW161104 Beijing XINHUA in English 0640 GMT 16 Aug 86

[Text] Beijing, August 16 (XINHUA)—Chinese scientists have succeeded in using a set of root nodule inducing techniques to raise the output of wheat, the GUANGMING DAILY reported today.

It is generally accepted that root nodules grow only on plants of the bean family.

Under the guidance of Beijing scientist Wang Manxin, the techniques—once controversial—were used on 80 experimental plots of wheat totaling 860 hectares in Xinxiang county, Henan province, this year and last.

This year's summer harvest showed a 7.74 percent increase in output on 74 plots, or 370.5 kilograms per hectare, the paper said. The harvest on four other plots was the same as last year, and it was lower on the remaining three.

Nodules were identified on the roots of some wheat stalks from the plots, which were found containing nitrogen-fixing bacteria and bacillus of a similar form by associate professor Zhang Shuzu, a Beijing Teachers' University biologist, with the aid of an electron microscope.

The nodules were believed to be the result of the application of a bacteria growth medium obtained through fermentation at a local factory, which was mixed up with the seeds before sowing, the paper said, adding that the medium was cheap and easy to obtain.

In addition to wheat, Wang Manxin, now director of the Beijing Research Institute of magnetism biological techniques, has since 1977 succeeded in using magnetism to induce the growth of root nodules on 96 plants not belonging to the beam family, including towel gourd, tomato, sunflower, cucumber, rose and willow.

But when the discovery were publicized in 1981, it was challenged by some scientists, asserting that the nodules on the roots of these plants had been induced by diseases and contained no nitrogen-fixing bacteria at all.

Despite this, experts at four schools of higher learning--Beijing University, Nanjing University, Beijing Teachers' University and Henan Teachers' University-joined in the research.

They have identified active nitrogen-fixing bacteria in nodules induced by Wang's techniques, the paper said.

/9716 CSO: 4020/424

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#### REFORESTATION TO CHECK SOIL EROSION ALONG YANGTZE

OW171332 Beijing XINHUA in English 0539 GMT 17 Aug 86

[Text] Beijing, August 17 (XINHUA)—The Chinese forestry authorities have decided to increase wood coverages, expand economic forests and reduce the scale of lumbering as part of the effort to check soil erosion along the upper reaches of the Yangtze River, today's PEOPLE'S DAILY reported.

The Yangtze River, China's longest, is more than 6,400 meters [figure and measurement as received] long. The increasing amount of sand and soil washed down the river course results in the dwindling forest coverage in its upper reaches. So more people are calling for the attention to soil erosion, the losing of ecologic balance and a threat to its middle and lower reaches.

The Ministry of Forestry will join efforts with local authorities of the Aba Tibetan Autonomous prefecture in Sichuan to enforce measures for checking soil erosion, the paper noted. Moreover, they are planning to reduce the number of lumbermen and transfer them to other occupations.

With an area of more than 82,000 square kilometers, the Aba prefecture is one of China's major timber producers. Its 34,000 lumbermen have produced 45.71 million cubic meters of timber over the past 30 years—faster than the speed of forestation.

The prefecture's annual timber output for this year is planned to be cut by half to 800,000 cubic meters as against 1.5 million cubic meters in the early 1980s. Meanwhile, more trees will be planted to help keep an ecological balance, the paper said.

/9716

COMPUTERIZED FLOOD FORECASTING--Zhengzhou, 6 Aug (XINHUA)--Work has begun to computerize the forecasting of floods along the middle and lower reaches of the Yellow River, which used to be known as "China's Sorrow" for frequently breaching its dikes. A computer system is now used on the section between the Sanmen gorge in west Henan Province and Huayuankou near Zhengzhou, the provincial capital, where flood waters accumulate in the flood season from late April to mid-October every year, local officials told XINHUA today. The Sanmen hydroelectric power station also serves flood control purposes, the officials said, and Huayuankou is the site where the Kuomintang troops blasted open the Yellow River dike in 1938 to ward off the advancing Japanese aggressor troops. Trial use over the past month shows that the system can forecast a flood peak 16-20 hours before it reaches Huayuankou, compared to 7-13 hours when conventional methods are used. The system's computer center is serviced by 16 telemetering posts and a radio communications network. [Text] [Beijing XINHUA in English 0704 GMT 6 Aug 86] /9871

MEAT PRODUCTION INCREASES—Beijing, 8 Aug (XINHUA)—China's output of pork, beef and mutton rose 15.6 percent in the first half of this year to reach 8.87 million tons, according to figures released by the State Statistics Bureau today. This means that each of the one billion Chinese could consume an average of 8.87 kg during that period, an official explained. In all, 125 million pigs were slaughtered during the same period—up 12.9 percent from the same period in 1985. Meanwhile, China's milk output rose 16.2 percent to 1.18 billion liters. The official attributed the increased production to what he called "protective prices" for major animal by-products in eight areas, and ample supplies of fodder and services to peasants and herders. But in some areas, peasants still find it difficult to sell pigs to state stores and fodder prices have risen. The official asked local authorities to take "necessary measures" to aid peasants so as to ensure sustained and stable growth of the country's livestock breeding. [Text] [Beijing XINHUA in English 1430 GMT 8 Aug 86 OW] /9738

AFFORESTATION CENTER SET UP--Changchun, August 19 (XINHUA)--China's first afforestation center has been set up in Changchun, capital city of Jilin province. The center grows vegetation typical of the Changbai mountains area, inner-Mongolian grasslands and the north China plain. It has 5,000 hectares of woods with over 550 kinds of plants. China's central afforestation commission has named it "the northern afforestation center". Commission officials told XINHUA that a southern center would soon be set up in Wuhan, capital city of Hubei province. The center also has a forestry research institute and a forestry personnel training class. [Text] [Beijing XINHUA in English 1143 GMT 19 Aug 86 OW]

FISH BREEDING EXPERIMENT—Beijing, August 18 (XINHUA)—Pond fisheries have increased output threefold as the result of a national, five—year experiment in fish cultivation, an agricultural official told XINHUA today. The experiment used 25,000 hectares of ponds in ten provinces and municipalities including Beijing and Tianjin cities, Jiangsu in East China, Guangdong in southern China, Henan in central China, and Heilongjiang in northeast China. Yields of 4,515 kilograms per hectare were achieved, four times that of the national average. The 30 percent of the country's pond water being used for fishing produced 74 percent of the national catch of freshwater fishes last year, said the official. The Beijing Aquatic Products Research Institute nearly doubled other experimental yields with 8,055 kilograms per hectare in its 14 hectares of ponds. They improved the yield by introducing fingerling fish into the ponds in autumn instead of spring to meet northern weather conditions. [Text] [Beijing XINHUA in English 0945 GMT 18 Aug 86 OW]

END OF CENTURY FOOD NEEDS--Beijing, August 19 (XINHUA)--Rising personal incomes will enable Chinese consumers to eat 25 kilograms of meat a year by the end of the century, equivalent to the world average in early 1980s, the PEOPLE'S DAILY reported today. In 2000, each member of the Chinese population will need 425 kg of grain, 4.25 kg of cotton, 12.5 kg of eggs and ten kg of fish. Quoting researchers at the Chinese Academy of Agricultural Sciences, the paper said to make this possible farmers will have to grow more food specifically designed for animals. In other words, the traditional agricultural pattern of "food crops-cash crops will be changed into one of "food crops-fodder crops-cash crops".

[Text] [Beijing XINHUA in English 1120 GMT 19 Aug 86 OW]

FARM MACHINE EXPORTS--From January to June, \$15,750,000 U.S. had been earned in foreign exchange from farm machine exports, accounting for 52 percent of the annual plan, and an increase of 77 percent over the same period last year. Exports of internal-combustion engines earned \$3,550,000 U.S. Most farm machines are exported to countries in Southeast Asia. The major exporting provinces and cities are Shanghai, Beijing, Guangdong, Sichuan, Hunan, Guangzhou, and Shenzhen. [Excerpt] [Beijing ZHONGGUO NONGJIHUA BAO in Chinese 13 Jul 86 p 1]

FARM MACHINE OUTPUT--In the first half of the year, farm machine industrial production decreased over the same period last year. Except for production increases in Guangdong (an increase of 11.9 percent), Jiangsu (a 2.8 percent increase), and Zhejiang (an increase of 2.5 percent), production in most provinces and municipalities decreased. In the first half of the year, the farm machine industrial output value dropped 5.3 percent compared to the same period last year. [Excerpt] [Beijing ZHONGGUO NONGJIHUA BAO in Chinese 3 Aug 86 p 1].

#### AFFORESTATION HARNESSES NORTHERN DESERTS

OWO70450 Beijing XINHUA Domestic Service in Chinese 0655 GMT 6 Aug 86

[By reporter Wang Xiangkun]

[Text] Xian, 6 August (XINHUA)—According to an on-the-spot meeting recently held in Yulin, Shaanxi, to exchange experiences in desert control and afforestation in the "three norths" [northeast, northwest and north China], remarkable successes have been achieved in harnessing deserts and planting trees during the first phase. Many counties have started to transform and utilize sandy areas brought under control. Under a second-phase project approved by the state Council, people in the "three norths" will spend the next 10 years consolidating sizable desert areas, building sandbreaks to protect their ranches, building irrigation facilities, and planting trees of economic value.

According to the meeting, during the first-phase lasting eight years, 56.37 million mu of desert in China's "Three Norths" were brought under control by afforestation. This is larger than all the sandy areas harnessed during the preceding 28 year period. Currently, the "Three Norths" have 104.48 million mu of afforested area, or 206.67 million mu of wooded area, if natural forests as well as trees planted near villages, along roads and streams, and by houses are included.

China's mammoth afforestation projects have brought large tracts of desert area under control, producing good ecological and economic benefits. Today, 15.8 percent of the Mu Us Desert [in southern Nei Monggol], and 13 percent of the Horqin Desert [in Jilin] is tree-covered. Thanks to local efforts and a scientific approach, desert control and afforestation have been carried out efficiently and economically on a large scale in Yulin Prefecture, Shaanxi. Today, the prefecture has preserved 10.53 million mu of afforested area. Its wooded area has increased from 22 percent during the early 1950's to 36.8 percent today, and 44.3 percent of its deserts has been brought under control. A preliminary regional forest shelter belt with trees, shrubs, and pastures has been built. Remarkable results have also been achieved in building sandbreaks in the western part of Northeast China, in Xinjiang's agricultural areas, and in Gansu's Hexi Corridor. Because of the sandbreaks, the 100 million mu or so of cropland and 17 million mu of ranches in sandy "Three Norths" have noticeably increased their grain and fodder grass output.

/12913

#### PILOT COUNTY EXAMPLE OF FARM MECHANIZATION

OW180716 Beijing XINHUA in English 0611 GMT 18 Aug 86

[Text] Hefei, August 16 (XINHUA)--Fengyang county, Anhui province, serves as an example of how China's rural reforms, focusing on the introduction of the initiative-based responsibility system, have speeded up farm mechanization.

Fengyang, which used to be one of the poorest counties in China, is a pioneer in instituting the system, which has proved to be the root cause of the country's sustained and stable expansion of agricultural production since 1979.

Now, tractors with trailers and trucks, mostly owned by individual persons, carrying grain, limestone, chemical fertilizers, bricks and tiles, run between the county town, 100 km northeast of the provincial capital of Hefei, and surrounding villages.

Wang Chengfa, director of the County Farm Machinery Bureau, said that when local peasants introduced the system seven years ago to smash the practice known as "sharing rice out of the same big pot", "we often heard some people complain that this would retard farm mechanization."

"But things have turned out to be the opposite," he said, because peasants are now encouraged by the government to buy and operate farm machines.

Farm machinery power in China totalled 284 million horsepower at the end of last year--rising at an annual average rate of 7.2 percent during the 1981-85 period.

According to Wang, in Fengyang inhabited by 570,000 people, the increased farm machinery power between 1979 and 1985 was equivalent to the total in the preceding 30 years. "In other words, our county's farm machinery power in 1985 almost doubled that of 1978," he added.

The number of trucks for agricultural use soared from 48 in 1978 to 184 at the end of last year, that of small tractors, from 1,217 to 5,694, and that of harvesters, from none to 107.

Farmland here is marked by small, uneven plots. "So our path to farm mechanization centers on small farm machines and tools, comprehensive use and improvement of the utilization rate," Wang said.

The machines added over the past seven years were bought by peasants with their own money or bank loans, Wang said.

"I think the fundamental reason for the rapid growth of farm mechanization is that the rural reform has enabled local peasants to become prosperous so that they can afford machines," Wang noted.

Now, most local peasants have farm machines and some even have achieved prosperity through use of the machines, he said.

For example, Zhang Keming, a demobilized soldier, whose family of nine often could not make ends meet, bought a second-hand tractor from his collective organization in 1979.

He used it for both ploughing and transport. Then with money earned, he bought 30,000 yuan worth of farm machines including a truck and a new tractor.

He paid 10,000 yuan in taxes to the government and earned 10,000 yuan last year. He has built a house with six tile-roofed rooms.

The idea of "no farm machines, no prosperity" is popular among peasants, Wang said, predicting that Fengyang county will achieve farm mechanization within five years at most.

Feng Wuyong, director of the Provincial Farm Machine Administration Bureau, said that the craze for buying farm machines is sweeping Anhui province, which has a population of 50 million.

The number of small tractors throughout the province tripled the 1979 figure to 250,000--96 percent of them owned by individual peasants. And the number of tractors for agricultural use soared to 140,000, compared with 1,000 in 1978.

/9716

EARLY RICE HARVEST--Anhui has sown 10,370,000 mu to early rice. Estimated gross output is 3,617,000 tons, an increase of 88,400 tons over last year, or a 2.5 percent increase. The average per unit area yield increased 13 kilograms. [Excerpt] [Hefei ANHUI RIBAO in Chinese 3 Aug 86 p 1]

WHEAT PROCUREMENT--As of 25 July, 1,463,000 tons of wheat were put into storage; of this amount more than 1,030,000 tons were contracted purchases, accounting for 73 percent of the procurement plan. [Excerpt] [Hefei ANHUI RIBAO in Chinese 3 Aug 86 p 1]

BEIJING SUMMER GRAIN OUTPUT--Beijing Municipality reaped a bumper harvest of summer grain. Total output reached 1.426 billion jin, a more than 40 million jin decrease over the 1985 figure. However, the per-mu yield reached 510 jin, a slight increase over the 1985 figure. The output decrease was caused by the one-third reduction of farmland acreage for summer grain this year. [Summary] [Beijing BEIJING RIBAO in Chinese 25 Jul 86 p 1 SK] /12913

BEIJING SUMMER GRAIN PURCHASE—Beijing Municipality overfulfilled this year's summer grain purchasing plan. By 27 July, it had purchased 86.66 million kg of summer grain, overfulling the plan by 6 percent. Of the sum, 72.87 million kg were purchased through contracts, overfulfilling the plan by 4.5 percent. The 12-million-kg purchasing plan entrusted by the state was also fulfilled. The quality of the purchased summer grain was also better than that of last year, with more than 90 percent at or above the medium grade. [Excerpt] [Beijing BEIJING RIBAO in Chinese 3 Aug 86 p 1 SK] /12624

### GANSU INSPECTS WFP-ASSISTED IRRIGATION PROJECTS

OW110234 Beijing XINHUA in English 0121 GMT 11 Aug 86

[Text] Lanzhou, August 11 (XINHUA)--Official delegations are inspecting five world food program-aid (WFP-AID) water conservancy projects being built in Gansu province to ensure the best use of the aid, a spokesman for the provincial government said here today.

The latest move, which began August 5 and will end August 20, also aims at helping ensure the quality of construction, the spokesman said.

Construction has begun since 1982 on one water diversion project and four electric pumping stations with a Chinese government investment of 150 million yuan (RMB), and should be completed in the next two or three years.

WFP promised to help by providing 172,000 tons of wheat and 2,800 tons of cooking oil to be distributed as wages in kind among the peasant builders, the spokesman said. By the end of June, 136,000 tons of wheat and 2,358 tons of cooking oil had arrived.

The official delegations of representatives from provincial water conservancy and other bureaus will also check how land levelling and the construction of the conveyance systems have been proceeding, the spokesman said.

The WFP-AID projects will benefit 18 arid counties in central Gansu and 5.5 million people. The annual precipitation there averages 260 mm, while evaporation is measured at 1,800 mm, the spokesman said.

Thanks to an annual mass mobilization to build water conservancy projects over the past three decades, some 205,500 hectares of farmland are now ensured of irrigation.

The WFP-AID projects will water another 24,000 hectares, in addition to making 4,000 hectares suitable for tree planting.

With a combined area of 67,400 square kilometers, the 18 counties have 1.36 million hectares of arable land, the spokesman said.

/9716

# GUANGDONG RADIO ON AGRICULTURAL DEVELOPMENT POTENTIALS

 ${\tt HK160459}$  Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 16 Aug 86

[Station Commentary: "There are Great Prospects for Developing Agriculture"]

[Text] How to speed up agricultural development and stimulate the development of rural commodity economy following the institution of the contract responsibility system with payment linked to output is a major question facing us.

Recently, some people have one-sidedly held that the peasants' production initiative has been almost completely brought into play, and that practically all the attainable economic results of readjusting the pattern of agriculture have been attained. Is it true that agricultural potentials have been almost exhausted? A very good answer to this question is provided by the typical examples of many areas in the province, especially Dongguan City, in embarking on the path of enrichment through agricultural development. There are indeed great potentials for agricultural development.

Planting trees and growing fruit is a major way of speeding up the development of the rural economy. We should profoundly understand the truth that fruit cultivation leads to enrichment and that people with fruit cannot be poor. Guangdong still has many barren hills and slopes and tracts of shore that have not yet been exploited. So long as we take full advantage of these strong points, there is no limit to the prospects for agricultural development. So long as we strengthen leadership and provide correct guidance, the mass upsurge of agricultural development will certainly advance in depth.

/9716 CSO: 4007/499

GUANGDONG EARLY RICE LOSSES -- According to NANFANG RIBAO, rural areas in the province have entered the busy season of summer harvesting and sowing. By 17 July, the province had reaped some 13.1 million mu of early rice, accounting for 52 percent of the total early rice that should be harvested. Hainan has reaped all its early rice. It is expected that all the early rice in the province will be reaped around the Great Heat Day in the traditional Chinese calendar [the 12th solar term]. The province will then begin summer sowing. Due to the serious attack of this year's No. 7 typhoon, the province suffered heavy losses in early rice. While grasping early rice harvesting, the prefectures and cities that were seriously hit by the typhoon are now swiftly making preparations for selecting late rice seeds and blocking up breaches of dikes. Meixian prefecture immediately sowed some 6.6 million jin of seeds of various cereal crops. Shantou and Huiyang have solved the problem of extra late rice seeds needed in the make-up sowing by such methods as using highyield early rice seeds as supplements and sowing late rice seeds on wheat field. [Text] [Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 23 Jul 86 HK] /12913

GUANGDONG GRAIN, ECONOMIC CROPS--Due to the damage caused by this year's typhoons No 7 and No 9 the province has suffered losses in grain production, but increased the outputs of some economic crops including peanuts, soybean and tobacco. According to the statistics of relevant departments, compared to last year, the province's peanut output increased by 20,000 tons, soybean output increased by 6,300 tons, and tobacco output increased by 1,500 tons. [Summary] [Guangzhou Guangdon Provincial Service in Mandarin 0300 GMT 14 Aug 86 HK] /12624

SOWN AREA, EXPECTED OUTPUT OF CASH CROPS REPORTED

Beijing NONGMIN RIBAO in Chinese 26 Jul 86 p 2

[Excerpts] Fruit: This year the sown area is 2,250,000 mu, the estimated gross output is 9 million dan. Banana output is expected to exceed 2 million dan. Orange output is estimated at 3.4 million dan, an increase of 21.4 percent over last year.

Sugarcane: The sown area is 3,160,000 mu, an increase of 110,000 mu over last year. Output of Guitang No 11 and other superior grades of sugar is expected to be more than 9 million tons; output of raw sugar is expected to be more than 8 million tons, an increase of more than 600,000 tons over last year.

Flue-cured Tobacco: The area sown to spring tobacco is 130,000 mu, estimated output is about 260,000 dan, a slight increase over last year. However, this year the region will require 800,000 dan of tobacco, more than 500,000 dan will need to be transferred from outside the region.

Ramie: The sown area is 76,000 mu, estimated output is 80,000 dan. However, this year the region will need 120,000 dan, so there will be a shortage of 40,000 dan.

Jute and Ambari Hemp: This year the sown area is 270,000 mu, estimated output is 1 million dan, a decrease of 3.6 million dan over last year. But because there was a bumper harvest of jute and ambari hemp last year, there is 1 million dan in storage waiting to be sold; therefore, there will be no severe shortage.

DAMAGE CAUSED BY TYPHOON--Beijing, August 13 (XINHUA)--A strong typhoon struck south China's Guangxi Zhuang autonomous region, bringing floods to thousands of hectares of rice paddies and swept away many houses. The typhoon also brought heavy rain to Guangdong province, causing no damage but easing the dry spell. Reports from Guangxi showed that the typhoon, which invaded the region yesterday, brought 100 to 300 mm of rain to Qinzhou and Nanning prefectures, where another typhoon in late July claimed 73 lives and injured 2,200 people. That typhoon also made 50,000 people homeless and caused losses of rice amounting to 150,000 tons, with direct economic losses estimated at 1.1 billion yuan (about 300 million U.S. dollars). Floods inundated more than 4,000 hectares of late rice and flattened more than 500 hectares of sugar cane in Fangcheng County near the Sino-Vietnamese border. Many houses along the border were blown down. Communications in some counties in the two prefectures were cut. Dams of some reservoirs were breached. Local weather stations say that downpours will continue in the next few days in most areas of Guangxi. [Text] [Beijing XINHUA in English 1420 GMT 13 Aug 86 OW]

PEASANTS INSURE PROPERTY--Nanning, August 20 (XINHUA)--During the first seven months this year, about 100,000 peasant households in Guangxi had paid insurance on family property, bringing the total up to 240,000, according to the region's insurance company today. The Guangxi Zhuang autonomous region in south China is close to the South China Sea and is frequently stricken by typhoons, floods and other natural calamities. Every year, tens of thousands of people and thousands of hectares of land suffer from natural disasters. Since the regional insurance company offered coverage of rural family property in 1982, more and more rural families have taken out policies. A peasant family in Cenxi county, whose house was destroyed by a typhoon last year got payment from the insurance company to build a new house. The host said, "In the past, I burned joss sticks for a peaceful life, but when my house was destroyed that Only by getting payment from the insurance company can I could not help me. rebuild my family," he told XINHUA. Today, one out of every five families in Cenxi county has taken out family property insurance. In Hechi prefecture, which has 500,000 rural families, 30 percent of them have taken out insurance. [Text] [Beijing XINHUA in English 0601 GMT 20 Aug 86 OW]

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GRAIN AREA--As of 3 July, Guizhou had planted 10,448,400 mu to rice, accounting for 89 percent of the cultivation plan; 10,210,000 mu has been planted to corn, exceeding the cultivation plan by 7.4 percent; 4,020,00 mu has been interplanted with soybeans; 1,207,800 mu has been planted to sweet potatoes, and more than 3,260,000 mu has been planted to grains other than rice and wheat. [Excerpt] [Guiyang GUIZHOU RIBAO in Chinese 7 Jul 86 p 1]

HEBEI WHEAT PROCUREMENT--As of 31 July, Hebei Province purchased more than 1.24 million tons of wheat in line with the contracts signed with the peasants and overfulfilled the plan for honoring the contracts on a fixed-quota purchase. The province prefulfilled its plan for purchasing summer grain by 1 month. [Summary] [Shijiazhuang Hebei Provincial Service in Mandarin 0000 GMT 1 Aug 86 SK] /12624

PIG PRICES DECREASE--Based on information provided by the provincial Animal Husbandry Bureau, at present, the prices of piglets, sows, and boars have been greatly reduced. The price of piglets has decreased from about 2.40 yuan per kilogram last year to about 1 yuan. Hogs (bodyweight) has decreased from 1.80 yuan last year to about 1.30 yuan, but feed prices have increased about 30 percent over last year. Based on these calculations, a peasant raising 1 jin of hog loses .10 yuan. During the second quarter of the year, 2.4 million pigs were slaughtered, commercial enterprises can only purchase about 900,000 head, individual small retailers can sell a portion, but there is no market for more than 1 million hogs. Because hog breeding is losing money, the amount of feed throughout the province has greatly decreased. It is estimated that there will be a shortage of pork supplies in 1987 in the province. [Text] [Zhengzhou ZHONGGUO CHENGXIANG XINXIBAO in Chinese 17 Jul 86 p 2]

GAMMA RAY GREENHOUSE—Harbin, 6 Aug (XINHUA)—A gamma ray greenhouse, a national key scientific research project during the last five—year plan period (1981—85), passed state appraisal Tuesday in this capital city of Heilongjiang Province in northeast China. In the greenhouse, gamma rays are used in radioactive breeding of vegetables to shorten the breeding period and to develop both early—maturing and high—yielding varieties. It can also be used for preservation and disinfection of vegetables and other foodstuffs, and in treating and preventing plant diseases. The computer—controlled greenhouse, covering an area of 1,500 square meters, was designed and constructed by Chinese scientists and technicians. The completion of the gamma ray greenhouse marks another important achievement in applying nuclear technology to agricultural research in China, experts said. [Text] [Beijing XINHUA in English 1230 GMT 6 Aug 86]

SWINE PURCHASES--In the first half of the year Heilongjiang purchased 430,000 head of swine, an increase of 220,000 head over the same period last year. At present, the province has stocked 43,000 tons of pork, an increase of 23 percent over last year. Because there is such a large volume of pork in stock, some cities have reduced the price of pork to 2 yuan to 2.60 yuan per kilogram, but sales have not been good. Therefore, Heilongjiang has decided not to purchase pigs from outside the province during the latter part of the year. [Excerpt] [Beijing NONGMIN RIBAO in Chinese 17 Jul 86 p 2]

EUROPEAN FERTILIZER PRODUCTION CONTRACTS--Zhengzhou, 31 Jul (XINHUA)-The Zhongyuan Chemical Fertilizer Plant in Henan Province tonight signed
contracts to import two European chemical fertilizer production lines,
according to Henan Province officials. They said the state-owned plant
will buy a 300,000-ton synthetic ammonia production line from the UHDE
Company of the Federal Republic of Germany, and a 520,000-ton production
line to make urea, a nitrogen fertilizer, from the Snamprogetti Company
of Italy. Both lines meet "advanced international standards," they said.
According to the contracts, the lines will be completed in 1989 and use
natural gas for fuel. The officials did not say how much they would cost.
The plant is in Henan's Puyang County, in an area rich in oil and natural
gas on the northern bank of the Yellow River. [Text] [Beijing XINHUA
in English 1506 GMT 31 Jul 86 OW] /9871

HUBEI EARLY RICE--The Province reaped a bumper harvest in early rice this year. The total early rice output from the province's 11.21 million mu of land was about 4.3 billion kg, an increase of 4 percent over last year. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1000 GMT 10 Aug 86 HK] /12624

PUMPING STATIONS HELP FARMERS--Wuhan, August 19 (XINHUA)--The installation of electric irrigation and drainage pumping stations in low-lying areas of Hubei province has helped ensure that farming can continue in spite of flooding, a local official said here today. Tong Wenhui, director of the Provincial Water Conservancy Bureau, said that the low-lying areas are usually around lakes and in river valleys, and flood during a spell of heavy rain, thus affecting farm harvests. Although dikes were built and drainage systems dug over the past 30 years, they have not been able to solve the basic problem. But, in the past few years, the Water Conservancy Bureau has installed electric irrigation and drainage pumping stations in 13,000 low-lying areas to pump floodwater into nearby lakes and rivers. "This has proven successful," the director said. The drainage pumping station at Xintankou, near the Yangtze River, can not only help control the water level of the Honghu River to remain at between 24.5 meters to 25 meters but also pump more than 100 million cubic meters of water into the Yangtze River within three to five days during the rainy season, thus ensuring the grain harvests of 153,000 hectares. The bureau plans to install more irrigation and drainage pumping stations to help ensure farm harvests, the director noted. [Text] [Beijing XINHUA in English 0818 GMT 19 Aug 86 OW]

/9716 CSO: 4020/422

#### HUNAN PEASANTS INVEST FUNDS IN NEW WAYS

HK160746 Changsha Hunan Provincial Service in Mandarin 0900 GMT 14 Aug 86

[Text] A reporter from this station learned from the Provincial Statistical Bureau in the middle of August that new characteristics of the investment of funds in the outskirts of urban areas and in rural areas emerged in the first half of this year: Production expenses were high, the expenditure of money on the purchase of productive fixed assets much, and investment of funds in non-agriculture large. This was the result obtained by statistical departments through sample investigation.

The average amount of cash spent by each peasant of a suburban rural area of our province on production in the first half of this year was 40 yuan, nearly 30 percent higher than the average level of the whole province. The average amount of cash spent by each peasant of a suburban urban area on the purchase of large and medium-sized iron and wooden farming tools and on fixed assets for agricultural, forestry, livestock, and fishery production reached 104 yuan, 50 percent higher than the average level of the whole province. These two figures show that peasants of suburban urban areas were willing to spend money on the long-term development of production and on the continuous and steady increase in their family economy and strengthened their investment in agriculture.

On this basis, the amount of their investment in nonagriculture was also more than the average level of the whole province. The amount of investment each person of the outskirts of a city under the jurisdiction of the provincial government made in nonagriculture, including processing [words indistinct] transport, commerce, catering, and service in the first half of this year was 7.68 yuan, 11.6 percent higher than the average level of the whole province. This shows that peasants of the outskirts have initially broken the concept that rural areas mean agriculture and agriculture means farming.

Over the past few years, peasants in the outskirts have made use of strong points, such as good transport service, quick access to information, and ample resources of labor force in the outskirts of urban areas, to readjust the production structure and widen their production realm. The amount of investment made by each peasant of a city under the jurisdiction of the provincial government in nonagriculture in the first half of this year reached 95 yuan, 83 percent higher than the average level of the whole province.

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HUNAN EARLY RICE--Hunan has reaped a bumper harvest from its 27.54 million mu of early rice. Total output was 10.47 million tons, an increase of 5.6 percent over last year. [Summary] [Changsha Hunan Provincial Service in Mandarin 0900 GMT 8 Aug 86 HK] /12624

DEPARTMENTS TO SERVE AGRICULTURE -- After fulfilling contracts for orders, any unit or peasant has the right to sell its or his surplus grain. This not only conforms to the spirit of the relevant directives of the central authorities and the Provincial CPC Committee and government but is also an important measure for supporting and encouraging peasants to develop grain production. What causes indignation is that some of our departments support agriculture and grain production in words but lay stress on the interests of their departments in specific work. If you infringe on the interests of my department, I shall make it hot for you. Practice over the past few years has proved that if the functional departments of the government do not straighten out their working guiding ideology and firmly establish the idea of serving agriculture, it is impossible to speed up the development of rural commodity production, particularly grain production. We hope that the Miluo county CPC Committee and Government will take measures to solve as soon as possible (Quyuan) farm's problem of difficulty in selling surplus grain. [Station Editor's notes] [Text] [Changsha Hunan Provincial Service in Mandarin 0900 GMT 14 Aug 86 HK]

HUNAN FARM MACHINES--In this year's busy farming season, some 100,000 tractors, tillage machines, and other farm machines were employed by peasants to replace draft animals. According to the provincial agricultural machinery department, an important reason for this was that peasants have paid more attention to efficiency in developing commodity production. [Summary] [Changsha Hunan Provincial Service in Mandarin 0900 GMT 31 Jul 86 HK] /12913

EARLY RICE HARVEST--Beijing, 2 Aug (XINHUA)--Central China's Hunan Province, one of the country's major rice producers, yielded a total of 10 million tons of early rice, an increase of 4 percent over 1985. The province has now planted 1.93 million hectares of late rice, 66,000 hectares more than last year. [Text] [Beijing XINHUA in English 1200 GMT 2 Aug 86 OW] /9871

RURAL SAVINGS--As of the beginning of June rural savings amounted to 6.056 billion yuan, an increase of 876,000,000 yuan since the beginning of the year. The proportion of fixed savings deposits increased from 89.6 percent at the beginning of the year to 91.6 percent. [Excerpt] [Zhengzhou ZHONGGUO CHENGXIANG XINXIBAO in Chinese 8 Jul 86 p 1]

WHEAT HARVEST, PROCUREMENT--Based on statistics, as of the end of July, Jiangsu had stored more than 1.8 billion kilograms of wheat, accounting for 82.8 percent of the summer grain purchasing contract, and an increase of more than 500 million kilograms over the same period last year. In addition, Jiangsu has purchased 600 million kilograms of wheat for the state. This year summer grain output in Jiangsu has increased 7.3 percent. [Excerpts] [Beijing RENMIN RIBAO in Chinese 11 Aug 86 p 2]

JIANGXI RURAL ECONOMY--Rapid development in agriculture, forestry, fishery, industry, commerce, construction, and transportation was reported in rural Jiangxi in the first half of 1986. The province reaped a bumper harvest of early rice this year, and the diversified economy was comprehensively developed. Currently, the acreage under cash crops has increased by 10.1 percent over the same period of 1985. The output of spring tea was close to 10,000 metric tons, and that of spring and summer silkworm cocoons totaled 360 metric tons. The number of live hogs exceeded 12.7 million head, and that of farm cattle topped 2.5 million head, an increase of 3.6 percent and 2 percent over the corresponding period of last year. The number of sheep reached 96,000 head, and that of poultry 75 million head, up by 26.9 percent and 30 percent over the same period in the previous year. The total output value of rural industries surpassed 1.66 billion yuan in January-June. [Summary] [Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 22 Jul 86 OW] /12913

RURAL SAVINGS--Based on recent statistics of the Jilin Agricultural Bank, total rural saving deposits are 212 million yuan, an increase of 30.6 percent over the beginning of the year, and an increase of 116.2 percent over the same period last year. [Excerpt] [Zhengzhou ZHONGGUO CHENGXIANG XINXIBAO in Chinese 15 Jul 86 p 3]

LIAONING HOLDS CONFERENCE ON LAND MANAGEMENT WORK

SK140125 Shenyang LIAONING RIBAO in Chinese 20 Jul 86 p 1

[Excerpts] The provincial land management work conference held by the provincial government in Shenyang in early July analyzed the provincial situation in land management, and worked out the tasks and measures for land management work in the new situation.

The conference noted: Over the past few years, our province's problem of arbitrary land occupation and use has been very serious. Its farmland declined by 400,000 mu on average every year, and last year it dropped by as much as 570,000 mu. When requisitioning land for nonagricultural construction in urban and rural areas, some people requisitioned the land but left it unused or delayed using it. Others occupied more than they needed, and still others even took over the land with illegal means. Taking only immediate interests instead of long-term interests into account, some localities arbitrarily damaged or occupied farmland when they were developing township enterprises and farm produce markets, and building residential houses for peasants. They also failed to exercise strict control over land use when developing small towns, and building or expanding roads. At present the per-capita amount of farmland in the province has declined from 1.53 mu in 1982 to less than 1.48 mu.

The conference held: The promulgation of the "PRC Land Management Law" indicated that our country has embarked on the track of managing land with law. All localities should give wide publicity to the law, enhance the understanding of cadres and people, and foster the healthy trend of valuing and rationally using every inch of land.

Collectives and individuals advanced in land management work were commended at the conference. Sun Qi, deputy secretary of the provincial party committee, and Bai Lichen, provincial vice governor, spoke at the conference.

/9716

# IH JU LEAGUE DISCUSSES LARGE-SCALE ANIMAL HUSBANDRY

SK220751 Hohhot Nei Monggol Regional Service in Mandarin 2200 GMT 21 Aug 86

[Text] The Ih Ju League Party Committee has intensively discussed and studied the viewpoint of developing large-scale animal husbandry put forth by Zhang Shuguang, secretary of the regional party committee, and maintained that such a viewpoint is a concrete plan for carrying out large-scale animal husbandry and for further deepening the understanding of the regional economic construction policy on making forestry and animal husbandry major undertakings while diversifying the economy.

Recently, the Ih Ju League Party Committee held discussions on several occasions in an effort to gradually deepen its understanding of the viewpoint of carrying out large-scale animal husbandry. Members of the league party committee realized that, first of all, large-scale animal husbandry is a serialized production composed of four layers of operation--planting, breeding, pressing, and sales--and based on planting trees and grass. Second, it is also an integrated business operation which makes animal husbandry the main industry and is composed of other industries, including grass farming, forestry, animal husbandry, agriculture, industry, and commerce. Developing large-scale animal husbandry conforms to the reality of Ih Ju League.

Based on enhancing understanding and unifying thinking, the Ih Ju League Party Committee worked out a plan to carry out the strategy for developing large scale animal husbandry. The plans stipulate that it is mainly necessary to grasp seven industries well:

- 1. We should plant grass and trees and build man-made pastures for herds of livestock.
- 2. We should develop the fodder grass processing industry.
- 3. We should develop animal husbandry and improve the breed of sheep.
- 4. We should develop the animal by-product processing industry, which is composed of a series of industries such as woolen textile, knitwear, and clothing, and use fine wool as the raw material. We should also use cow and sheepskin as the raw material to make leather goods, fur coats, and leather shoes to form a series of processing operations.

- 5. We should develop agriculture, with a focus on grasping the irrigation areas of Huang He and Wuding He, expanding the areas of irrigated land, and raising the per unit area yield.
- 6. We should speed up the production of commodities, and strive to build sheds to fatten livestock.
- 7. We should develop township enterprises.

To ensure the smooth implementation of the strategy for large-scale animal husbandry, the Ih Ju League Party Committee has also formulated some specific policies and measures.

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FIGHTING DROUGHT NOTICE ISSUED—The provincial government issued an urgent circular on 12 August on further stepping up the work of fighting drought and protecting the autumn crops. The circular says that there has been little rain throughout the province since mid—July. Precipitation in 75 counties and cities has been more than 60 percent less than the same period last year. Water storage has dropped rapidly in most reservoirs and other water storage facilities. A number of rivers have dried up. In addition, due to the continuous high temperatures, the soil is seriously short of moisture. The area of crops affected by drought has rapidly expanded to 14 million mu. The drought is the worst in the past 7 or 8 years. According to the forecast, there will be no heavy rain in the province in the near future, and the drought will continue to develop. All localities must urgently mobilize and immediately take effective measures to step up the work of fighting drought and protecting the autumn crops. [Excerpt] [Xian Shaanxi Provincial Service in Mandarin 2330 GMT 12 Aug 86] /9599

SHANDONG SUMMER GRAIN—By the end of July, Shandong Province had put 2.73 billion kg of summer grain into storage, registering an increase of 380 million kg over that of the same period of last year, and setting an all-time record. Among the 14 prefectures and cities throughout the province, 12 have overfulfilled their summer grain contract purchasing quotas. They are Jining, Weifang, Dezhou, Liaocheng, Qingdao, Zibo, Taian, Huimin, Jinan, Dongying, Zaozhuang and Linyi cities and prefectures. [Excerpt] [Jinan Shandong Provincial Service in Mandarin 2200 GMT 2 Aug 86 SK] By the end of July, Shandong Province had purchased 2.7 million kg of summer grain, showing an increase of 560 million kg over the same period of last year, and hitting an all-time high. [Excerpt] [Jinan Shandong Provincial Service in Mandarin 2200 GMT 19 Aug 86 SK] /12624

SHANDONG COTTON EXPORTS—As of the end of June 1986, Shandong Province had exported a total of 118,850 tons of cotton, exceeding last year's cotton export figure by some 36,800 tons and showing an increase of 43.95 percent. This cotton export figure accounts for 99.04 percent of the annual plan, ranking first among all provinces and cities throughout China. [Excerpts] [Jinan Shandong Provincial Service in Mandarin 2200 GMT 4 Aug 86 SK] /12624

# DECLINE IN NUMBER OF SHEEP THROUGHOUT PROVINCE

Taiyuan SHANXI NONGMIN in Chinese 5 Jul 86 p 2

# [Text]

		Unit: 10,000 nead
Year	Sheep At Year End	Sheep Slaughtered
	,	
1952	458.0	
1967	1028.6	<b>**</b>
1980	909.9	99.0
1981	824.0	190.0
1982	799.9	135.1
1983	698.2	189.3
1984	507.0	301.6
1985	414.3	193.8

PLANTING COMPOSITION--This year the area sown to grain is more than 46 million mu, an increase of 920,000 mu over last year; the area sown to wheat is 15,610,000 mu, an increase of 410,000 mu over last year. The area sown to cash crops is 10 million mu, accounting for 16.8 percent of the area sown to farm crops. Of the cash crops, the area sown to cotton has been reduced 15.4 percent over last year, the area sown to oil crops has increased 2.5 percent, the area sown to vegetables has increased 7.9 percent. Because the area sown to grain has increased, this year the total sown area of farm crops is 60,920,000 mu, an increase of 1,250,000 mu over last year. [Excerpt] [Zhengzhou ZHONGGUO CHENGXIANG XINXIBAO in Chinese 20 Jul 86 p 3]

## SICHUAN MEETING URGES STRUGGLE AGAINST NATURAL DISASTERS

HK100241 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 9 Aug 86

[Excerpt] According to SICHUAN RIBAO, on 8 August the rural work leadership group of the Provincial Party Committee summoned responsible comrades of provincial departments concerned to analyze the rural situation and decide on countermeasures for fighting natural disasters and reaping a bumper harvest in light of the characteristics of the natural disasters. The meeting called on the province to have confidence in victory, establish the concept of commodity economy, provide appropriate guidance according to the circumstances, ensure the key points, and use manpower, finances, and materials where they are most needed. The province should improve economic results in fighting natural disasters and ensure a small drop in grain output and an increase in income in major disaster areas, increased grain output and income light disaster areas, and a big increase in grain output and income in areas of no disaster.

Sichuan has been successively hit by low temperatures, high winds, hailstorms, torrential rain, and drought since the spring. Some areas have suffered continuous drought since the spring, and great damage has been done. This has made fighting disasters more difficult. In particular, the late summer drought this year has occurred in the major grain and cotton areas. This has a big impact on the spring-sown crops, and has broken the previous rule of drought in the east of province and floods in the west.

In view of these special features this year, the Provincial Party Committee's rural work group has demanded that the province base its efforts on reality and that the province be divided into areas of three categories: major disasters, light disasters, and no disasters. These should be treated and guided as appropriate. We must strive to reduce grain losses to the minimum and do everything possible to increase the peasants' income.

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ECOLOGICAL FARMING METHOD--Beijing, 5 Aug (XINHUA) -- A farming method which increases output through keeping the ecological balance between soil and crops has been developed by a soil scientist in Sichuan Province, southwest China, the QUANGMING DAILY reported today. Experiments on 66,000 hectares of paddy fields in southern Sichuan over the past three years showed that the per-hectare yield was at least one ton more than the farmland cultivated with the traditional method. Developed by 82-year-old Hou Guangjiong, a professor at the Southwest China Agricultural University, the method is based on his theory of keeping soil fertility through bacterial functions. According to the theory, high and stable output relies on a sound soil structure formed naturally. The professor holds that plowing damages such structure. Under the new method, furrows are dug and filled with water to retain the structure as well as the humidity, air, and manure. Rice seedlings are planted on ridges. Previously, local farmers used to revitalize the fertility of the soil by submerging fields with water in winter. Now they grow an additional wheat crop in the season. Scientists said the method is of great significance. In Sichuan alone, about 667,000 low-yielding hectares of paddy fields need improvement. Hou developed his theory and method over more than 20 years. [Text] [Beijing XINHUA in English 1141 GMT 5 Aug 86] /9871

CSO: 4020/412

#### RURAL ECONOMIC DEVELOPMENTS REPORTED

Beijing NONGMIN RIBAO in Chinese 1 Aug 86 p 2

[Excerpts] In the first half of the year, the industrial and agricultural gross output value of Tianjin and suburbs was 2.74 billion yuan, an increase of 12.5 percent over the same period last year.

Based on statistics, although the area sown to wheat has been reduced by 90,000 mu, the gross output of wheat was 450 million kilograms, an increase of 5 percent over last year. For the first time, the per unit yield was 212.5 kilograms, an increase of 10.4 percent over last year.

In the first half of the year, the rural areas provided 183 million kilograms of vegetables to the city, a 23.6 percent increase over the same period last year. The area of freshwater fish farming was more than 260,000 mu, the area of marine fish breeding was more than 48,000 mu, both were more than a 20 percent increase over last year. The gross output of aquatic products was more than 20,000 tons, a 36.5 percent increase over the same period last year.

Based on statistics, there are more than 18,000 town and township enterprises in the city, the gross output value was 2.01 billion yuan, an increase of 12 percent over the same period last year.

XINJIANG GRAIN OUTPUT--According to the regional statistics bureau, the region's summer grain output for this year reached some 6.49 billion jin, an increase of 170 million jin over 1985, a bumper harvest year. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 13 Aug 86 HK] /12624

XINJIANG SUMMER HARVEST--Urumqi, August 21 (XINHUA)--Northwest China's Xinjiang Uygur Autonomous Region reported a record summer grain harvest of 3.3 billion kg, 150 million kg more than last year, despite a 3.5 percent cut in sown acreage. With plenty of rainfall, southern Xinjiang reported a per-unit yield increase of nine percent and a total output increase of 5.6 percent. The production and construction crops, which manages 169 state farms, reported an increase of 50 million kg. Most of the places in eastern and northern Xinjiang reported similar output as last year, with some reporting a slight drop, because of a long dry spell. Local officials attributed the record summer harvest to increased investment in land, the use of improved strains and better field management. [Text] [Beijing XINHUA in English 1025 GMT 21 Aug 86 OW]

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# ZHEJIANG AGRICULTURAL BANKS SUPPORT RURAL WORK

HK 310827 Beijing RENMIN RIBAO on Chinese 26 Jul 86 p 2

[Dispatch by reporter He Jiazheng: "Zhejiang Agricultural Banks Stresses Rural Economic Development"]

[Excerpts] During the first half of this year, while continuing to persist in macroscopic control, Zhejiang Province Agricultural Banks made efforts to enliven finance, and achieved certain results in this regard. This promoted rural economic development.

During the first half of this year, in some prefectures and cities of Zhejiang Province, savings deposits showed a rapid increase, and the supply of funds was ample. However, in some other prefectures and cities, the supply of funds was insufficient. In the meantime, due to differences in local conditions and production set-ups, the times when funds were needed in various prefectures and cities also differed. In light of this situation, the provincial agricultural bank devised special methods for redistributing funds, and increased deposit interest rates in order to encourage various branches to deposit their funds in banks at higher levels, so that arrangements could be made to make use of these funds.

Under the prerequisite of macroscopic control, various agricultural banks in Zhejiang rationally readjusted credit. First of all, priority was given to loans for grain production in terms of funds and interest rates. By the end of June, agricultural loans totaling 790 million yuan were provided by various agricultural banks and credit cooperatives throughout the province. During the "golden season" for agricultural production—the second half of the year—the amount of loans was 149 million yuan more than the same period last year. With regard to town and township enterprises, a method of redistribution of funds was adopted to solve the problem of circulating funds. In addition, main efforts were exerted to support them in light of their own different conditions.

/12913 CSO: 4007/488

## XUE JU AT ZHEJIANG MEETING ON HILLY AREAS ECONOMY

OW180945 Hangzhou Zhehiang Provincial Service in Mandarin 0900 GMT 17 Aug 86

[Text] Governor Xue Ju made a speech at the provincial work conference on the economy in hilly areas this afternoon. He said: Our province has made tremendous achievements in construction in hilly areas. We have become more and more sure of ourselves about how to develop the economy there. It can be said that the past few years have been years of the fastest and best economic development of hilly areas since the founding of new China.

Governor Xue Ju said: It was precisely because commodity economy was underdeveloped that hilly areas long suffered poverty and backwardness. In recent years, due to our efforts to break out of the confines of natural economy, there has been some development in commodity economy. According to estimates of 31 counties in hilly areas, comparing the 1985 figures with those of 1980, the output value of village and town enterprises in these counties increased more than 3 times and their total purchase of farm and sideline products increased more than 60 percent. Forestry is no longer stagnant and mountain forests have taken on a new look. During the Sixth 5-Year Plan period the province as a whole afforested 9 million mu and the acreage covered by forests increased to 45 percent from 36.5 percent in 1979.

Governor Xue Ju added: In the past few years the various localities have readjusted their production policies in accordance with the actual conditions in the hilly areas. They have achieved initial success in changing the single-product economy situation and embarked on the correct road of all-round economic development. In 1985, 37 percent of the labor force of the 31 counties was engaged in nonfarming production. Industry, construction business, transportation services, commerce, and service trades have all developed. The vast majority of the people there no longer lack food or clothing. More and more people in the hilly areas have embarked on the road of prosperity. Per capita income of peasants in these 31 counties reached 404 yuan in 1985, more than 4 times that in 1980. Nine of the counties have lifted themselves above the poverty line. There has been marked improvement in every aspect of life as well as in cultural, educational, and public health facilities for the people in these hilly areas.

Governor Xue Ju said: We have explored ways to help the hilly areas break free from poverty. As long as we have the correct guiding thought, principles, policies, and state of mind, we will be able to tap the long hidden resources and bring prosperity to the hilly areas.

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PIG PRODUCTION--Based on a recent survey by the provincial commerce department, the number of pigs on hand is 13,080,000, an increase of 11.2 percent over the same period last year. Boars, sows, and piglets increased 22.27 percent; porkers increased 6.8 percent, porkers weighing less than 40 jin increased 10.6 percent. It is estimated that about 6 million head of heavy pigs will be slaughtered in the last half of the year, an increase of 7.9 percent over the same period last year. In the first half of the year state-operated commercial enterprises in the province purchased 2,750,000 head of pigs, an increase of 10.4 percent over the same period last year. It is estimated that purchases in the last half of the year will be 1,450,000 head, an increase of 6.6 percent over the same period last year, purchases during the third quarter will be more than 10 percent. [Excerpt] [Zhengzhou ZHONGGUO CHENGXIANG XINXIBAO in Chinese 17 Jul 86 p 2]

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